

## Rhythm Super

### 2023 Your Future Your Super – Performance Test outcomes

This flyer is to notify you of the 2023 annual performance test outcomes.

#### Annual Performance Test

The performance test has been introduced by the Australian Government and is intended to hold trustees accountable for performance of investment options offered to members.

For 2023, the test has compared the returns of selected investment options held within your super product (after your super fund deducts fees) with the returns of a comparable product, over a period of up to 9 years<sup>1</sup> to 30 June 2023.

It is important to note that the test is an assessment of an investment option over the full period and is based on a standard set of investment benchmarks, account balance (\$50,000) and fee parameters (generally the highest fee applicable for any member). As a consequence, it may not be a measure of your individual experience with the investment option or your overall portfolio if you hold multiple concurrent investment options.

The test started on 1 July 2021 for default investment options known as MySuper, and for 2023 has been extended by the Government to include “trustee-directed products” (TDPs). A limited range of the investment options available to members through Rhythm Super in the AvWrap Retirement Service are classified as TDPs and have therefore been included in the 2023 test.

**What is a TDP?** TDPs are investment options with allocations to more than one asset class where the trustee (or a related entity) has control over the design or implementation of the investment strategy.

In the case of Rhythm Super, TDPs are those investment options offered and/or managed by related entities of the trustee, being MLC Investments Limited, Navigator Australia Limited, IOOF Investment Services Limited and OnePath Funds Management Limited.

If a TDP fails the performance test in one year, the trustee is required to notify members that have invested in that TDP. If the TDP fails the performance test two years in a row, in addition to notifying affected members, the trustee will not be allowed to offer the TDP to new members until a future test is passed, although members that hold those TDPs will be allowed to continue to hold and invest future monies in the option.

Note that this is the first year the performance test has applied to TDPs. The Government requires us to notify you that a TDP has not passed the annual performance test for the first year. If you were invested in this TDP, you’ll receive a letter about this by 27 September 2023.

#### If you hold a TDP that has failed the 2023 performance test, what should you do?

If you hold a TDP that has failed the performance test, you could potentially benefit from switching into a better performing product. Your money will stay in the TDP unless you move it.

However, as mentioned above it is important to understand that the outcome of the test may not be a measure of your individual experience with the investment option or your overall portfolio if you hold multiple concurrent investment options. It is also important to understand that:

- There may be costs in moving your monies held to another investment option or super product, including tax on capital gains or transaction costs (including buy/sell margins);
- The outcome of the performance test is based on standard fee parameters which may be higher than the actual fees you pay. The administration fee applicable to you may be lower if your account balance is higher than \$50,000;
- You may lose benefits that cannot be replaced if you move to another super product, such as loss of insurance or fee discounts that apply to a family group that you’re part of; and
- Investments can go up and down. Past performance is not necessarily indicative of future performance.

<sup>1</sup> The performance assessment period will be less than 9 years if the TDP hasn’t been available through the super fund for that long. If the TDP has been available for less than 6 years, it will generally not be tested.

## Rhythm

Before acting on the performance test result, you should consider your personal situation, objectives and needs. We suggest you speak to your financial adviser who can assist you in determining any action you should or could take. You can also call the Administrator on 1300 319 363 between 8am to 7pm (AEST/AEDT) Monday to Friday for information about your account.

### What are the outcomes of the 2023 performance test?

Super products included in the test	
Product	<ul style="list-style-type: none"> <li>Rhythm Super</li> </ul>
Trustee	<ul style="list-style-type: none"> <li>IOOF Investment Management Limited ABN 53 006 695 021 AFSL 230524</li> </ul>
Superannuation fund	<ul style="list-style-type: none"> <li>AvWrap Retirement Service ABN 82 004 832 237</li> </ul>

Investment options held by members	
Total investment options held by members <sup>2</sup>	269
TDPs included in the 2023 performance test	1
- TDPs that passed the 2023 performance test	0
- TDPs that failed the 2023 performance test (refer to list below)	1

TDPs that have failed the performance test		
MLC0398AU	MLC Wholesale Horizon 3 Conservative Growth Portfolio	Open on investment menu

This information has been prepared by IOOF Investment Management Limited ABN 53 006 695 021, AFSL 230524 (IIML), as trustee of the AvWrap Retirement Service ABN 82 004 832 237. IIML is part of the Insignia Financial Group of companies comprising Insignia Financial Ltd ABN 49 100 103 722 and its related bodies corporate (Insignia Financial Group). This information is general in nature and does not take into account your objectives, financial situation and needs. Before acting on any of this information you should consider its appropriateness, having regard to your objectives, financial situation and needs. You should consider obtaining financial advice before making any financial decisions based on this information. It is recommended that you consider the relevant Product Disclosure Statement (PDS) before you make any decisions about your superannuation. You can obtain the latest copy of the PDS (or other disclosure documents) and Target Market Determination by calling the Administrator on 1300 319 363 or downloading from the product website, [ioof.com.au/forms](https://ioof.com.au/forms).

<sup>2</sup> Across all super and transition to retirement pension products, as of 30 June 2023.